



**Chicago Association of  
Neighborhood Development Organizations**

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December 10, 1997

Cash Management Policy & Planning Division  
Financial Management Service  
US Department of the Treasury  
401 14th Street, SW Room 420  
Washington, DC 20227

RE: Comments on Proposed Rule 31 CFR Part 208

The **Chicago Association of Neighborhood Development Organizations (CANDO)** is the largest city-wide coalition focused on community economic development in the United States with over 220 members. I also offer these comments as a member of the *Federal Reserve Board's Consumer Advisory Council* and Secretary of the **National Community Reinvestment Coalition**.

The primary policy objective of Treasury's EFT '99 to introduce "unbanked" Americans to bank depository relationships is both laudable and challenging. To assure that the population targeted by these rules benefits and is not negatively impacted, several conditions must be achieved during implementation:

1. Besides precluding currency exchanges from serving as direct recipients of Treasury transfers, the rules should be extended to disallow EFT partnerships between regulated institutions and currency exchanges. Currency exchanges lack enforceable fiduciary accountability to consumers and only add increased and often unreasonable fees for services that can be obtained from regulated depository institutions.
2. The Treasury Department should aggressively regulate low fees across the spectrum of EFT accounts, as well as no fees for the basic ETA.
3. EFT accounts, including the basic ETA, should be structured to accept unlimited free deposits and 10 free withdrawals per month.
4. Distinct measures should also be implemented to minimize the impact of overdraft fees and other surcharges on first-time EFT recipients.
5. Treasury should explicitly solicit in its RFP on ETAs an affordable savings feature that, while separate, could be linked to an ETA and even promote Individual Development Accounts (IDAs).

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6. The same consumer protections available to other financial account holders should be available to ETA holders.
7. Increased funding for public education should be requested to extend educational efforts through FY2000. This training should be conducted by consumer and community groups, with experience in working with low-income persons.
8. Finally, EFT should be considered an important component of the new Community Reinvestment Act's (CRA) service test and therefore innovations such as establishing branches in low-income communities or mobile banks in under-served areas or in senior citizen buildings should be encouraged.

Only if these conditions are implemented, will EFT '99 assure equitable banking services. Thank you for consideration of these comments in drafting the final rules.

Sincerely,

A handwritten signature in cursive script, reading "Ted Wysocki".

Ted Wysocki  
Executive Director  
CANDO